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ANALYSIS OF THE EXTERNAL ENVIRONMENT OF THE ENTERPRISE AS THE MAIN STAGE OF STRATEGY DEVELOPMENT

ANOTATION

Introduction. The external environment provides a company with the resources it needs to maintain its internal potential at the proper level. A company is in a constant state of exchange with its environment, thereby ensuring its survival. However, environmental resources are finite and compete for them with many other companies within the same environment. Therefore, it is always possible for a company to obtain the necessary resources from the external environment. This can weaken its potential and lead to many negative consequences. The goal of strategic management is to ensure that the company interacts with the environment in such a way as to maintain its potential at the level necessary to achieve its goals, thereby enabling its long-term survival.

Method. The article considers two methods of analyzing the external environment of an enterprise: SWOT analysis, which divides factors into strengths and weaknesses, opportunities and threats, and PEST analysis, which monitors and evaluates political (stability of the political situation, tax policy, the level of government influence on the industry, control over quality standards), economic (water inflation rate, prices for raw materials and energy, investments in industries), social (requirements for product quality, tastes and preferences of the population, population size) and technological factors (development of technologies in the industry, scientific and technical potential of the country, costs of research and development), which the enterprise does not influence.

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ResultsThe study was conducted using the Tsarichansky Mineral Water Plant LLC as an example. During the analysis of

the enterprise, the external environment was studied based on six groups of factors: economic, political, market, technological, international status, and social behavior. The company's strengths and competitive advantages were identified: safe product packaging; growth in office consumption of bottled water; a wide range of mineral water; high product quality; average price level; use of advanced production automation technologies; increase in water sales volumes;increase product lines;water is coming infrom a well; water contains essential elements for the human body; water used for medicinal purposes;The plant produces treated water using reverse osmosis; the company owns the main resources for production; it has a wide target audience; water delivery to offices; and a company store located near the plants.

Keywords:SWOT analysis; PEST analysis; external environment; foreign economic activity; strategy; external environmental factors

Introduction

At the current stage of economic development and in the context of globalization, the development of foreign economic activity and cooperation with foreign partners are essential elements for ensuring the effective operation of enterprises. Today, Ukrainian companies face challenges in their operations, as predicting the performance of a changing external environment is quite difficult. In such circumstances, new management methods and approaches are essential. To successfully adapt to new, unforeseen external changes, companies must clearly define their goals, mission, and values in line with consumer interests and formulate strategic principles based on these. Given the dynamic and complex business environment and increasing competition, a strategic approach to determining their development is essential for the long-term and successful operation of an enterprise. Only with a clear understanding of the evolving business environment, the company's market position, its characteristics, and capabilities can a development strategy be defined to achieve goals and build long-term advantages.

The purpose and objectives of the article

The purpose of the article is to assess the external environment and determine the possibilities of entering the foreign market.

Presentation of the main research material

The internal potential of the enterprise is maintained at the proper level thanks to external environment that provides it Resources. An enterprise is in constant interaction with its external environment, which ensures its survival. However, external resources are not unlimited. Furthermore, external resources are occupied by many other enterprises in the same environment. Therefore, there is a risk of insufficient external resources being obtained by competing enterprises, which will weaken the enterprise's potential and may have many negative consequences. The primary goal of strategic management is to ensure the enterprise's interaction with the external environment in such a way as to maintain internal needs at the required level to achieve its goals and ensure long-term viability. To determine and implement an enterprise's strategy, management must have a thorough understanding of the enterprise's operating environment, its development trends, and its position within it. At the same time, the external environment is primarily studied by strategic management to identify threats and opportunities, which the enterprise must consider when setting and achieving its goals. A properly formulated and developed foreign trade strategy is the key to the successful development of an enterprise and is achieved through the enterprise's ability to promptly respond to changes in the external environment and adapt to current trends. For successful integration into the international space, it is crucial for domestic enterprises to build their foreign economic strategy on the prevailing values in developed countries: compliance with the law, fair competition, rational use of resources and production of products with minimal negative impact on the environment; social responsibility.

Given that strategy selection takes into account both internal and external environmental factors, it's clear that a comprehensive and accurate assessment of the situation and strategic decision-making require the use of all analytical

methods. Assessing the external environment is the process by which strategy developers monitor the company's external environment and identify potential threats and opportunities. By analyzing the external environment, a company can anticipate threats and opportunities in a timely manner, develop contingency plans, and formulate strategies that enable the company to achieve its goals and turn potential threats into profitable opportunities.

As I. D. Farion notes, strategic analysis of the external environment is a comprehensive study of the external environment of an organization (industry, competitors, consumers, suppliers) to assess opportunities and threats and develop an optimal economic strategy based on a choice among possible alternatives [6, p. 10].

Companies study the external environment based on six groups of factors: economic, political, market, technological, international, and social behavior. Resource formation and allocation are examined based on the economic elements of the macroenvironment: market dynamics and saturation, inflation, overall employment and employment in industries, income levels, interest rates, balance of payments, investment, and taxation. When studying these indicators and factors, strategic management is interested not in the significance of the indicators themselves, but in the opportunities they open for business.

The purpose of analyzing economic indicators is to assess their overall health. The primary focus should be on examining the risk, competitiveness, and profitability of a business. Economic factors include economic growth, exchange rates, inflation, and interest rates. These factors have a significant impact on how a business operates and on management decisions. For example, interest rates affect a company's cost of capital, which in turn influences how much a business grows or expands. Exchange rates affect the cost of exported goods, as well as the supply and price of imported goods in the economy.

Political factors are the ways in which governments intervene in and influence the economy. Specifically, political factors include areas such as taxation, labor laws, environmental regulations, trade restrictions, tariffs, and political stability. Political factors also include the goods and services that governments are willing to provide and receive (desirable goods) and those they are unwilling to provide (undesirable goods). Furthermore, governments have significant influence over a country's healthcare, education, and infrastructure.

Market factors directly impact a company's performance. By assessing market factors, management can refine strategies and strengthen its market position. Market factor analysis includes consideration of demographic changes, income levels and distribution, the life cycles of various goods and services, the level of competition in the industry, the company's market share, and government market protection.

Technological factors include technological aspects such as research and development, automation, technological incentives, and the speed of technological change. They determine barriers to entry, minimum levels of production efficiency, and influence the decision to use a very popular means of outsourcing. Furthermore, technological innovations affect costs and product quality and lead to innovation. The impact of scientific and technological innovations becomes noticeable in design, modeling, distribution and sales, and marketing. All these configurations influence the company's overall strategy.

Analyzing international factors is important if a company intends to operate in the international market. It is necessary to study the situation in this market. Monitor policy of the country in which the enterprise intends to operate.

Strategic analysis includes an analysis of the external environment, an internal analysis, and an analysis of the company's strengths and weaknesses as a comprehensive assessment of both the external and internal environments. In our opinion, the external environment has a greater impact on the company and complicates its desired transformation. The internal environment is easier to manage, but it determines the company's ability to withstand negative external influences and leverage external opportunities for development.

Strategic analysis is a necessary initial element of management decision-making in the modern context. Its primary goal is to provide information on threats and opportunities that must be considered when making all important strategic decisions. Strategic analysis in management decision-making encompasses both the external

and internal environments of the enterprise. The external environment of the enterprise is the changing competitive landscape in which the company markets its products. Analysis of the external environment is a specialized function of the strategic development department. Strategic analysis of the external environment should include all necessary enterprise functions.

External environmental analysis is an important tool for formulating strategies to control external factors, with the goal of predicting potential and actual threats and new opportunities. Environmental analysis allows a company to proactively anticipate threats and opportunities and develop contingency plans, including strategies for achieving goals and turning potential threats into profitable opportunities.

An external environmental analysis encompasses the external elements surrounding a company. A key aspect of external environmental analysis is identifying and understanding existing and potential opportunities and threats that may hinder development.

Enterprises. The next area of external environmental analysis is identifying strategic uncertainties within the enterprise or its environment that negatively impact industry performance. It should be noted that these uncertainties are also important and require in-depth analysis or the collection of all relevant information before making strategic decisions.

There are a number of methods for analyzing a company's environment. The most common is the SWOT analysis, developed by Albert Humphrey. The SWOT analysis matrix is used to categorize information into strengths, weaknesses, opportunities, and threats. PEST analysis is also widely used to monitor political, economic, social, and technological factors beyond a company's control.

A PEST analysis requires examining four factors: political and legal, economic, socio-cultural, and technological factors. For businesses, a PEST analysis is primarily necessary to better understand their external environment, its opportunities, and threats. Blindly conducting business based on limited information and subjective perceptions is possible for startups and small businesses, but unacceptable for medium and large enterprises, as well as for serious investment projects. By understanding the opportunities and threats in their environment, businesses can protect themselves from critical mistakes.

Secondly, it's important to define a company's strategy. It's common knowledge that companies that develop a strategy win competitive battles because they avoid making disjointed, conflicting decisions. A strategy is:

–an action that the company will carry out in the coming years;

–the product it produces;–expansion or contraction of the geographic area in which it operates;

–the investments it will make or, conversely, the external financing it will attract.

In order to choose the right strategy, it is necessary to understand what opportunities the market offers.

Third, PEST analysis provides the initial data for developing risk management at an enterprise and effectively describes macroeconomic risks. As is well known, risk management involves identifying risks, assessing them, and developing measures to minimize their impact.

A PEST analysis was conducted to identify macroenvironmental factors influencing the operations of Tsarichansky Mineral Water Plant LLC. PEST analysis is an acronym for the following industry indicators: political (P), economic (E), socio-cultural (S), and technological (T). The influence of these factors was assessed by the company's experts on a 5-point scale. Table 1 presents the PEST analysis of the company's macroenvironment.

Table 1. PEST analysis of Tsarichansky Mineral Water Plant LLC

Description of the factor	Influence factors	Expert assessment				Average rating	Rating with weight adjustment
		1	2	3	4		

Political factors							
Stability of the political situation	3	4	5	4	4	4,25	0,34
Tax policy	3	5	4	4	5	4,5	0,36
The level of government influence on the industry	3	4	3	3	4	3,5	0,28
Control of quality standards	2	4	3	5	3	3,75	0,20
Economic forces							
Inflation rate	2	5	4	5	5	4,75	0,26
Income level of the population	2	3	4	5	4	4	0,22
Production volumes of natural and mineral bottled water	2	3	3	2	4	3	0,16
Prices for raw materials and energy resources	3	5	5	5	5	5	0,41
Investments in the industry	3	4	5	5	4	4,5	0,36
Social factors							
Product quality requirements	2	3	5	4	3	3,75	0,20
Tastes and preferences of the population	3	5	3	4	5	4,25	0,34
Population size	2	3	2	3	3	2,75	0,15
Technological factors							
Development of technologies in the industry	3	4	5	4	4	4,25	0,34
Scientific and technical potential of the country	2	4	3	4	5	4	0,22
Research and development expenses	2	4	2	3	4	3,25	0,18
Total	37					59,5	

Source: compiled by the authors based on expert assessment data.

The analyzed factors are listed in the table (Table 2) in descending order of importance, and all summary calculations are generated in matrix form.

Based on the results of the factor assessment, more attention should be paid to neutralizing the following factors: political – tax policy, economic – prices for raw materials and energy resources, social – tastes and preferences of the population, technological – development of technologies in the industry.

A successful business strategy must address weaknesses. If strengths are insufficient to formulate an effective strategy, managers must create a foundation upon which to build it.

A SWOT analysis combines the analysis of the external and internal environments. There are several reasons why this analysis method is essential for businesses. Efficient use of resources.

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Since every business has a limited number of resources, it is crucial that, resources can be distribute in such a way as to achieve maximum growth and profitability.

be able to manage them properly. This can be done by assessing the company's strengths. After

Table 2. Matrix view of PEST analysis data for Tsarichansky Mineral Water Plant LLC

Political factors		Economic forces	
Tax policy	0,36	Prices for raw materials and energy resources	0,41
Stability of the political situation	0,34	Investments in the industry	0,36
The level of government influence on the industry	0,28	Inflation rate	0,26
Control of quality standards	0,2	Income level of the population	0,22
		Production volumes of natural and mineral bottled water	0,16
Social factors		*Technological factors*	
Tastes and preferences of the population	0,34	Development of technologies in the industry	0,34
Product quality requirements	0,2	Scientific and technical potential of the country	0,22
Population size	0,15	Research and development expenses	0,18

Source: compiled by the authors based on expert assessment data.

Improving business operations. Analyzing a company's weaknesses helps to critically assess existing problems and areas of activity. This process helps prevent strategic mistakes and continuously improve. It can also help identify new business opportunities and ways to advance the business.
projects.

Managing Risks. A business may face various threats, both from direct competitors and external ones (such as changes in the marketing environment or regulatory framework). However, a SWOT analysis can help businesses prepare for the challenges they may face.

Building a Competitive Strategy A SWOT analysis matrix can help you analyze your own business and your competitors. This allows you to identify your company's weaknesses and turn them into strengths.

Using the example of Tsarichansky Mineral Water Plant LLC, existing market opportunities were identified, threats capable of undermining the company’s position were studied, and strengths and weaknesses were examined from the perspective of buyers (Table 3).

Based on the SWOT analysis, we can conclude that a high level of threat comes from factors such as substitute products, intra-industry competition, and new entrants. The product range that

The company's production and pricing policy at various points of sale were analyzed, and it was

found that at the main points of sale, namely supermarkets and stores, not all products were available, but only a few pairs of items, which is illogical and reduces the profit potential.

Conclusions and prospects for further research

The modern business environment is characterized by a very high degree of complexity, dynamism, and uncertainty. The ability of enterprises to adapt to change is a fundamental condition in business and other areas of life. Moreover, it is increasingly becoming a condition for survival and development. In order to define and implement an enterprise's strategy, management must have a deep understanding of both the enterprise's internal environment, its potential and development trends, and the external environment, its development trends, and its position. At the same time, both the internal and external environments are studied primarily to identify threats and opportunities that the enterprise must consider when setting and achieving its goals. Environmental analysis can help achieve important results. It gives the enterprise time to anticipate opportunities and develop contingency plans.

circumstances, time to develop early warning systems for possible threats and time to develop strategies that can transform previous threats to any favorable opportunities.

Table 3. SWOT matrix for Tsarichansky Mineral Water Plant LLC

Strengths	Weaknesses
–safe packaging of goods –growth in office consumption of bottled water –a wide range of mineral water–high quality product –average price level –use of advanced technologies for automation of release –increase in water sales volumes –expansion of the product line –water comes from a well –Water contains important elements for the human body. –the water is used for medicinal purposes–The plant produces treated water using the reverse osmosis method.–the enterprise is the owner of the main resources for production –wide target audience –water delivery to offices –the presence of a brand store near enterprises	–not the entire range of manufactured products is presented at points of sale –There is no person on staff responsible for marketing and product promotion –a small number of suppliers–weak promotion and distribution policy–a small number of places to sell products–narrow geographic distribution of the product–branded stores have an unattractive appearance for consumers –possible loss of existing customers –does not use advertising media –use of plastic bottles (non-ecological packaging)
Possibilities	Threats

–expansion of mineral water production by large enterprises –the spread of healthy lifestyle fashion–growth of drinking water consumption culture–popularization of still water	–seasonal demand for goods –high level of competition –sales of imported products –weak level of product exports–the presence of substitute goods (or replacement goods) on the market –the emergence of new players capable of launching a market division

The analysis utilized two environmental research methods: SWOT analysis and PEST analysis. As a result, it was determined that the company needed to expand its product range at points of sale and establish a marketing department to promote its products and maintain customer communications.

Suppliers, increase the number of suppliers, create eco-friendly packaging for products, expand sales geography, increase the number of points of sale, and improve the appearance of branded stores. Furthermore, to enter foreign markets, the company needs to develop a logistics system.

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Abstract
Introduction. The external environment provides an organization with the resources necessary to maintain its internal potential at the proper level. The organization is in a constant state of exchange with the external environment, thereby ensuring its survival. However, external resources are limitless and are competed for by many other organizations in the same environment. Therefore, there is always the possibility that an organization will obtain the necessary resources from the external environment. This can weaken its potential and lead to many negative consequences for the organization. The goal of strategic management is to ensure that the organization interacts with the external environment in a way that allows it to maintain its potential at the level necessary to achieve its goals, thereby ensuring its long-term survival.
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Results. The study was conducted using the Tsarychansky Mineral Water Plant LLC as a case study. During the analysis, the company's external environment was examined across six groups of factors: economic, political, market, technological, international status, and social behavior.

The company's strengths, which also serve as competitive advantages, have been identified: safe product packaging; increased office consumption of bottled water; a wide range of mineral water; high product quality; moderate pricing; use of advanced automation technologies; increased water sales; expansion of the product line; water comes from a well; water contains elements essential for the human body; water is used for medicinal purposes; the plant produces purified water using reverse osmosis; the company owns the main resources for production; a wide target audience; water delivery to offices; presence of a company store near the enterprises.

Keywords:SWOT analysis; PEST analysis; external environment; foreign economic activity; strategy; external environmental factors.

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